

Unit



Process of Payment

In a retail store every customer after sorting and selecting goods, finally makes the payment for the purchase. The customer should be aware of the list of goods purchased, the accurate price of goods, special discounts and offers and should also know the various methods of payments. The cashiers of retail store have knowledge about the payment transaction, common methods of payments, company procedure of accepting payments, discounts and special offers, sorting of payment problems and rights, responsibilities and duties of cashier relating to the process of payment.

The process of payment is the most important and last part of a retail purchase process. It is a retail cashier's responsibility to make the payment process smooth. When there is a list of items purchased by the customer, it is necessary that the cashier should identify the correct price of purchase and also include in the invoice any special offer or discount offered by the retailer. Also the cashier should be aware of the subsidiary methods, such as prepaid cards, shopping vouchers, pre-purchased gift cards, and loyalty cards credits.

The unit will focus on knowledge and skills essential for a retail cashier for processing payments in retail business.

NOTES

To provide knowledge and skills on these aspects the unit has been divided into four sessions. The first session deals with identifying an effective process of payment in retail stores. The second session discusses sorting out problems in the payment process in retail organisations. The third session explains about the rights, responsibilities and duties of a cashier in the process of payment and the fourth session discusses the components of the payment system in a retail store.

SESSION 1: EFFECTIVE PROCESS OF PAYMENT

Meaning of effective process of payment

It is the basic duty of a retail cashier to make the payment process smooth. When goods are purchased by the customer, it is necessary that the cashier should identify the correct price of the purchase and include the special offer or discount offered by the retailer in the invoice. The cashier should be aware of the subsidiary payment methods.

The overall knowledge of completing a transaction in time is very essential for a cashier. Efficient and speedy service at POS is a key factor for a retail cashier.

Effective process of payment

For a retail cashier the process of payment can be made effective by keeping the following points in mind:

- Verify the customers' identity as well as authenticate account balances.
- Validate the price of products and apply price stickers.
- Handle refunds and exchanges at register.
- Keep products inside the retail checkout.
- Also check and count accurate prices.
- Maintain accuracy in cross-checking daily cash accounts, shift cash totals and sum up cash.

Kinds of pricing

'Discount' is a form of fall in price. The retail store cashier knows the current offers, price, discounts, cash coupons, loyalty points and any other short-



term events that affect the sales activities. The marketing campaigns and seasonal promotions are often essential for both corporate retailers and individually-owned retailers.

The retail store cashier facilitates promotional transactions as they benefit both the retailer as well as the customer.

The retail store cashier must respond to the customer questions regarding basic price and promotional price. Following are the kinds of pricing (see Fig. 4.1) which the cashier should know while billing:



Fig. 4.1 Kinds of Pricing

Current discounts

(a) Current discounts: They are provided on prices, which means retailers reduce the profits and provide these to the customers in the form of discounts.

- (i) *Discount pricing:* The retailers offer a reduced price.
- (ii) *Everyday Low Prices (EDLP):* It is used in supermarkets. Everyday low prices is a practice for maintaining a regular low price.
- (iii) *High-low Pricing:* This method is based on the period of time. In festival seasons some goods have high prices, once the period passes it shifts to low price.

(b) Price bundling: When two or more products are packaged with a single price.

(c) Price lining: Price lining is used to set the price of products differently in a specific group.

(d) Promotional pricing: Promotional pricing is to fight with competitors and/or to get rid of excess stock.

Special offers

Following are the types of special offers (see Fig. 4.2) which need to be applied while processing payments by customers:

PROCESS OF PAYMENT

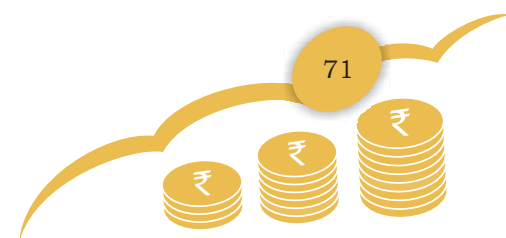




Fig. 4.2 Special Offers

- (a) **Freebies and samples:** At the time of billing it should be mentioned if any freebies or samples are there with the items in the cart.
- (b) **Discounted gift cards:** Retailers offer gift cards and discounts.
- (c) **In-store offers and printable coupons:** Through coupons customers are encouraged for more purchases as mentioned in the offers.
- (d) **Clearance:** For making place for new inventory, the retailer sells the goods in clearance sale.
- (e) **Free trial:** Many merchants feature free trials on their services, software, subscriptions and memberships so that customer tries them out before committing to actual purchase. The cashier should have knowledge about the free trials.
- (f) **Flash sale:** It is an offer kept for a limited time and which creates a sense of urgency.
- (g) **Holiday/seasonal offers:** Customers always like to spend more around the holidays. The knowledge of such offers makes the job of a cashier easy while

including these in the final billing and helps them encourage the customers to buy more.

(h) Pre-launch offers: The benefit of pre-launch offers of product helps in boosting sale.

(i) Referral offers: Many times people make purchases by reference of friends and peers. The reference code is included in the invoice.

(j) First time offer: First time offers are only provided to first time visitors who can also be converted into regular customers later.

(k) Loyalty offers: Rewarding customers can help in building a stronger bond. It implies providing discounts to customers that already spend money at the store.

NOTES

Practical Exercise

Activity 1

Visit a store to observe the payment procedures, discount and special offer strategy.

Materials required

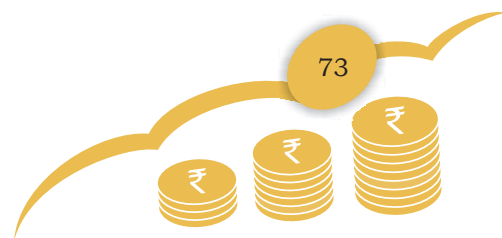
Pen/Pencil, Notebook, Comparative Chart with Questions

Procedure

1. Visit two retail stores one by one.
2. Enlist various offer provided by each retail store.
3. Compare these offers on the basis of the following aspects.

S. No.	Basis of Comparison	Retail Store A	Retail Store B
1.	Offer		
2.	If offer on same products?		
3.	Discount		
4.	Discount rate		
5.	Availability of offers and discounts		

4. Prepare a comparative report item-wise for each store.
5. Which one do you consider more beneficial?
6. Prepare a report and submit to the subject teacher.



Check your progress

A. Fill in the Blanks

1. It is the most important part of a retail cashier's profile to make _____ smooth.
2. _____ is reduction in price.
3. _____ is used to set the price of a product differently in a specific group.
4. _____ pricing is to fight with the competitors and/or to get rid of excess stock.
5. _____ discounts provided on prices means retailers reduce the profits and provide them to the customers in the form of discounts.
6. Benefit of pre-launch offers of a product or service helps in _____ of sale.

B. Multiple Choice Questions

1. Cashier should be aware about the subsidiary payments methods, such as
 - (a) Pre-paid cards
 - (b) Shopping vouchers
 - (c) Pre-purchased gift cards and loyalty cards credits, etc.
 - (d) All (a), (b) and (c)
2. It is the responsibility of the retail store cashier to have knowledge about _____.
 - (a) current promotional offers
 - (b) discounts available
 - (c) Both (a) and (b)
 - (d) None of the above
3. For a retail cashier the process of payments can be made effective by keeping in mind the following points _____.
 - (a) verify customers' identity
 - (b) validate and establish prices of products
 - (c) scan and log in the price of products
 - (d) All (a), (b) and (c)
4. Which of the following is a type of pricing?
 - (a) Discount price
 - (b) Costing
 - (c) Promotional price
 - (d) Price lining
5. Which of the following is a type of special offer which needs to be taken into account at the time of payments by customers?
 - (a) Freebies and samples
 - (b) Free trial

- (c) Pre-launch offers
- (d) All (a), (b) and (c)

6. A flash sale is basically an offer that
- (a) only lasts for a limited time
 - (b) is a great way to create a sense of urgency for the customer to buy
 - (c) Both (a) and (b)
 - (d) None of the above

C. State whether the following are True or False

1. Efficient and speedy service at POS is a key factor for retail cashier.
2. At the time of billing it should be mentioned if any freebies or samples are there with the items in the cart.

D. Short Answer Questions

1. How does a flash sale create a sense of urgency for the customer to buy?
2. Why is it important to mention about freebies or samples in the bill?
3. What do you mean by current price?
4. What is a free trial?
5. What are the various types of pricing?

Check Your Performance

1. Enact the process of payment in retail business.
2. Demonstrate special offers given during payments by customers.

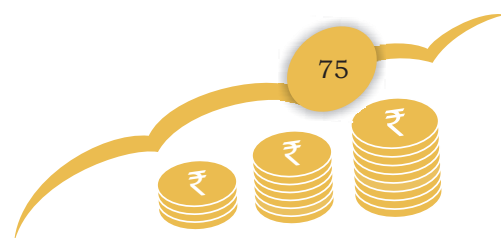
SESSION 2: SORTING OUT PRICING PROBLEMS IN PAYMENT PROCESS

The cashier is a very important contact person for the retail customers, who also sometimes works as a retail sales person in independent retail stores.

Sorting out pricing in the payment process

A cashier needs to sort the payment problems by referring to payment information. Some examples of the regular problems at retail stores in India are as follows:

PROCESS OF PAYMENT



NOTES

- Coupons not working for the desired merchandise.
- Staff asking the customer to wait at the cash counter till they get the barcode.
- Price not matching the discount/offer mentioned.
- When contacted, the manager behaves rudely and asks to wait.
- A store issues a prepaid card but customer many a times is unable to avail the benefits because of unoperated machines or servers.
- Credit card swiped twice and excess charge is not refunded.
- If a retailer tells the price of goods but it turns out that it is an incorrect price that creates a problem during payment time.
- The item bought was advertised as being in special offer, but now it is found cheaper at other shops.
- Bought something on a daily deal site, but now has problems.
- Sometimes retailer charges its customers a fee for using electronic mode of payments to pay small amounts.
- Every retail store has a minimum amount to be paid for electronic mode for payment.

Effective problem redressal

Following are the ways through which problems can be avoided.

- The cashier should provide proper information to the customer during billing.
- The cashier should collect and handle payments as per the retail organisation established procedures.
- The cashier should propose products and services solutions to the customers in case of any problem related to pricing.
- The cashier should also utilise a cash register to ring up customers, collect money and present them with their change or receipt.
- The retailers must prepare for mode of payment. Shorter-term prices should be informed verbally or by clear signage.



Steps to handle customer problems related to pricing and processing payments

A price tag must be highly visible and be an objective guide to value. The cashier should understand the nature of payment and handle a customer complaint. The cashier should:

- (a) **Be silent:** As the buyer is frustrated to diffuse their anger, let the customer get all of their complaint out.
- (b) **Ask for concerns:** It is advisable to ask the purchaser if they have other concerns. Then keep listening while looking in their eyes.
- (c) **Apologise:** It starts with a simple apology, followed by the solution part. There is a need to ask what they want.
- (d) **Policy of organisation:** Know the boundaries or extent of help the organisation permits. If customers don't have a receipt and it could be theft — give them store credit with proper ID. Be clear and tell what can be done.
- (e) **Sympathise:** Due to price issue, the angry customer will only want and expect a solution to the problem and sympathy from the retailer.
- (f) **Take feedback:** It is important to know, whether the customer was satisfied. When the situation has been resolved, at the end of the transaction simply ask the shopper if they are satisfied.

Handling problems if the solution is beyond the control of a cashier

There are situations when problems can't be handled by a retail cashier. In that case following tips are to be considered:

- (a) **Transferring a Customer payment problem:** It is beyond a cashier's control to help.
- (b) **Imagine using this language instead:** Few customers will jump with joy because of a transferred call but it's better to assure them that the action was taken in their favour, in order to solve their current problem.

PROCESS OF PAYMENT

NOTES



NOTES

(c) Closing with a customer: The cashier should always 'close' the conversation.

In this way, all the problems related to payment can be sorted at the retail store itself.

Practical Exercise

Activity 1

Field visit to identify the problems of payment and handling procedures in a retail store.

Materials required

Pen/Pencil, Notebook and Checklist

Procedure

1. Visit a retail store
2. Conduct a structured interview with the retail store manager and ask him the following questions:
 - (a) Have you ever faced a payment problem? Yes or No.
 - (b) What types of problems are faced by a retail store?
 - (c) What are the solutions provided by the retail store?
 - (d) If a cashier is unable to handle angry customers then who handles them?
3. Prepare notes, discuss with friends and confirm with the executive.
4. Develop a report and submit to the subject teacher.

Check your Progress

A. Fill in the Blanks

1. _____ is a very important contact person for the retail customers.
2. A _____ needs to sort out the payment problems by referring to payment information.
3. If a retailer tells the price of the goods but it turns out to be incorrect, that creates a problem at _____ time.
4. Every retail store has a minimum amount for _____ mode of payment.
5. Retailers must also _____ for mode of payment.

B. Multiple Choice Questions

- Retail store cashiers need to _____.
 - facilitate quickly
 - carry out efficient and effective point of sale purchase transactions
 - Both (a) and (b)
 - None of the above
- The regular problems at retail stores in India are like _____.
 - coupons not working
 - price not matching with the discount
 - fee for using electronic mode of payment
 - All (a), (b) and (c)
- Which of the following is not a way through which problems can be avoided _____?
 - Explaining specialised information
 - Fighting with customers
 - Engaging in meaningful interactions with customers
 - Planning for mode of payment
- To handle a customer complaint the cashier should
 - Be silent
 - Ask for concerns
 - Follow policy of organisation
 - All (a), (b) and (c)
- There are situations when problems can't be handled by a retail cashier. In that case the following tip/s should be considered.
 - Transferring a customer payment problem
 - Imagine using this language instead
 - Closing with a customer
 - All (a), (b) and (c)

C. State whether the following are True or False

- Sometimes the retailer charges its customers a fee for using electronic mode of payment if paying small amounts.
- Efficient and quick service is a chief concern at the POS.
- Only at the time of delivery, it should be mentioned if any freebies or samples are there with the items in the cart.
- Discount pricing is where the marketer or retailer offers an increased price.
- Cashier should always 'close' a conversation.
- If a retailer tells the price of the goods but it turns out it's an incorrect price that creates a problem at the payment time.



D. Short Answer Questions

1. What are the problems faced by retailer at point of sale?
2. Explain the steps to handle the customer problems of pricing and processing payments?

E. Check Your Performance

1. Demonstrate the effective problem redressal in retail business.

SESSION 3: RIGHTS, DUTIES AND RESPONSIBILITIES IN PROCESS OF PAYMENT

Payment is an important step in the entire process of retailing. Cashiers are responsible members of a retail store, they welcome their customers on getting the right decision of purchase.

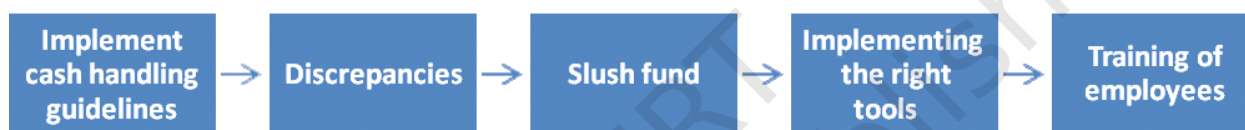


Fig. 4.3 Cash Management

Company procedure for working out payments

The payment procedure is the final step in the purchase process (see Fig. 4.3)

The following points will help in understanding the procedure for working out effective payments in an effective way:

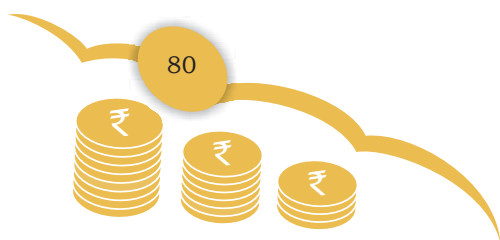
(a) Implement cash handling guidelines: The first step in a successful payment system is ensuring that employees follow the guidelines for implementing a cash handling system.

(b) Discrepancies: The cash should be handled with care and it should be ensured that all discrepancies are recorded and monitored on regular basis.

(c) Slush fund: Slush fund means the true amount of cash loss is hidden and many times visibility of the extent of the problem is not there.

(d) Implementing right tools: Cash management software helps and guides the employees.

(e) Training of employees: There should be smoothness in cash handling and use of cash management technology. The cashier needs to be properly trained.



Duties of a cashier

- At the end of the working day, it is the duty of a cashier to match the amount of money as in the cash register and the transaction records in the computer.
- There should be accuracy in handling money.
- The cashier must have the ability to multitask.
- The cashier must possess a positive attitude towards work and steady disposition.
- The cashier must have the flexibility to work in different conditions and schedules.

Skill requirements of a cashier

- Retail cashiers must be able to walk and stand for long time.
- The job role of a retail cashier can be physically demanding, requiring lifting, bending, reaching, carrying merchandise, lifting and moving displays.
- Good verbal communication skills are essential for a retail cashier.
- A retail cashier must be self-motivated, a good team member and trustworthy.

Responsibilities of a cashier

Following (see Fig. 4.4) are the responsibilities of a cashier:

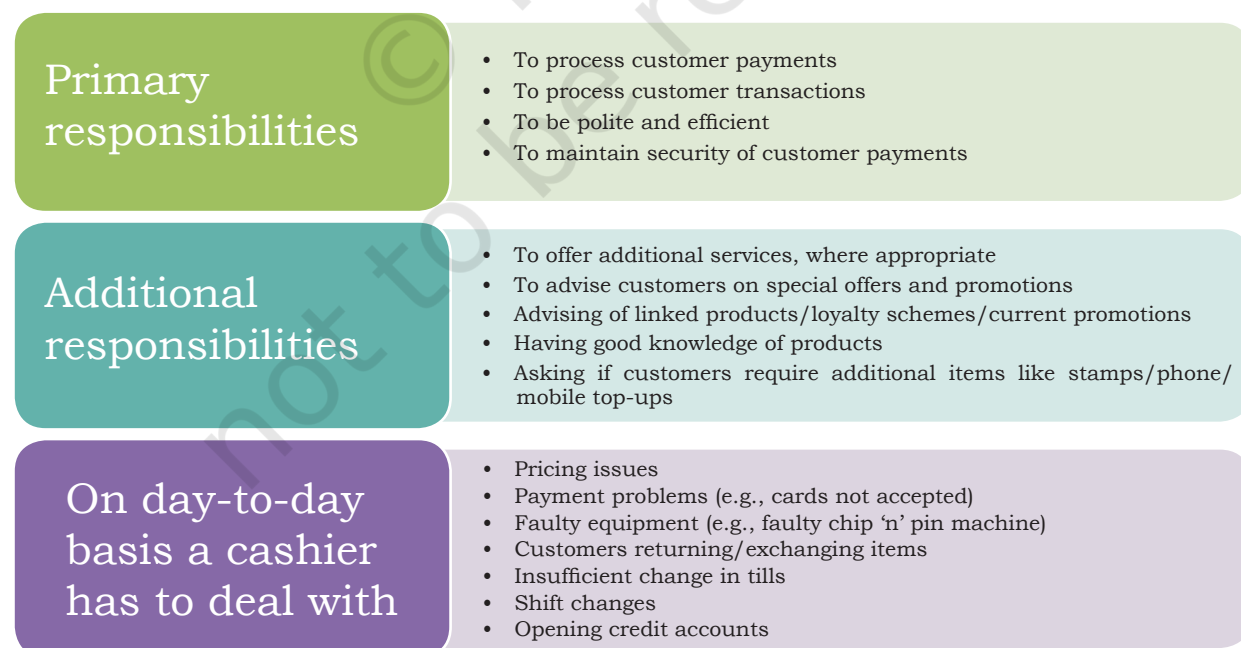
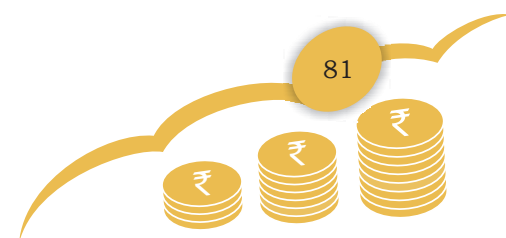


Fig. 4.4 Responsibilities of Cashier

PROCESS OF PAYMENT



NOTES

Practical Exercise

Activity 1

Field visit to view a cashier's dealing with customer and map his/her duties.

Materials required

Pen/Pencil, Notebook and Checklist

Procedure

1. Visit a retail store.
2. Ask the retail cashier about his duties and responsibilities and make a note.
3. Also observe how a retail cashier deals with customers.
4. Match the skills required by a cashier to as explained in the textbook with a retail cashier.
5. Prepare a note and explain the deviation in skills, discuss with friends and confirm with executive.
6. Prepare a report and submit to the subject teacher.

Check your Progress

A. Fill in the Blanks

1. Payment procedure is the _____ step in the purchase process.
2. _____ possess a positive attitude towards the work and steady disposition.
3. _____ must have the flexibility to work in different conditions and schedules.
4. Good _____ communication skills are one of the essential skills for a cashier.

B. Multiple Choice Questions

1. The retail store cashier must be
 - (a) self-motivated
 - (b) self-directed and be able to work effectively unsupervised.
 - (c) Both (a) and (b)
 - (d) None of the above
2. The job duties of a Retail Store Cashier can be
 - (a) physically demanding
 - (b) require lifting, bending, reaching, and
 - (c) carrying merchandise
 - (d) All (a), (b) and (c)

3. Primary responsibilities of a cashier includes
 - (a) processing customer payments
 - (b) processing customer transactions
 - (c) Both (a) and (b)
 - (d) None of the above
4. Tick the correct procedure for working out payments in an effective way?
 - (a) Implement cash handling guidelines, discrepancies, slush fund, implementing the right tools, training of employees
 - (b) Discrepancies, slush fund, implementing the right tools, training of employees, implement cash handling guidelines
 - (c) Implement cash handling guidelines, implementing the right tools, training of employees, discrepancies, slush fund
 - (d) Implement cash handling guidelines, training of employees, discrepancies, slush fund, implementing the right tools
3. On a day-to-day basis a cashier has to deal with
 - (a) pricing issues
 - (b) payment problems (e.g., cards not accepted)
 - (c) faulty equipment (e.g., faulty chip 'n' pin machine)
 - (d) All (a), (b) and (c)

C. State whether the following are True or False

1. Payment is the most important step in the entire process of retailing.
2. The cashier need not be flexible to work under different conditions and schedules.
3. The cashier must have the ability to work well under pressure and maintain a high level of energy and enthusiasm.
4. Retail cashiers are not required to walk or stand for a long time.
5. Retail cashier must be a cooperative team member and assist other employees in retail operation.

D. Short Answer Questions

1. Why is it important for a retail cashier to be a good team member and assist other employees in retail operation?
2. What are the duties of a retail cashier?
3. How does a cashier deal with pricing issues?
4. What is the company procedure for working out payments?

E. Check your Performance

1. Demonstrate the procedure for working out effective payments through effective way in retail business.
2. Perform the duties of a cashier in the process of payment in retail business.



SESSION 4: COMPONENTS OF PAYMENT SYSTEM IN RETAIL

Retail Cashiers have to perform various types of financial transactions using the point-of-sale system. The retail cashier should be familiar with point-of-sale system, computer, laptop, tablet or mobile device. All point-of-sale transactions must be undertaken pleasantly with all customers. It is the duty of the retail cashier to count the money in drawer at changing and joining of shift for loss prevention and accounting purposes.

Components of payment system in retail

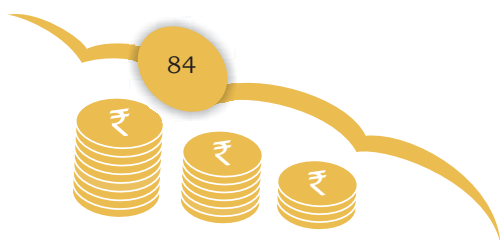
Following are the components through which the accurate amount to be paid by the customers is worked out:

- For retail point of sale system a few devices are required, such as cash register, computer, monitor, cash drawer, receipt printer, barcode scanner swapping machine for debit/credit card.
- At a retail store the customer picks the items from the shelf and goes to the point-of-sale system for billing. The cashier then scans each item and makes the list of items along with the price. The cashier then prepares the invoice for the customer, in the form of a cash register printout; it will also indicate the options for the customers to make payment.
- For calculating the amount of items bought by a customer, the retail cashier can use different types of aids, such as a weighing scales, barcode scanner, and cash register.
- For obtaining payment from a customer against his/her purchase, a retail cashier can use a touchscreen hardware and software.
- Every business uses a point-of-sale system.

Devices used in payment system

Following are the devices used in POS technology which help in calculating the accurate billing amount:

(a) Weighing scales: Devices to measure weight or calculate mass.



- (b) Barcode scanner:** A barcode scanner is a machine which helps in reading the barcode for making the bill of items purchased by the customers at the retail store.
- (c) Application software:** There are various software which are used at point-of-sale.
- (d) Cash register:** It is an electronic register used for registering and calculating the amount at retail store. It is usually attached to a drawer for storing cash and other valuables.

Current trends in payment systems

Many big trends come up seen in the payment systems in the last five years. Some of them are as follows:

- Every year the number of customers using debit card and credit card for payment increases.
- The use of cheques for retail transaction and cheque card guarantees have declined since July 2011.
- Mostly credit cards are being used as nowadays people place orders through phone or e-commerce.

E-Commerce payments

- E-commerce payment is the buzz word of today's era. One by one each and every retailer is going online to sell goods. Retailers want to serve the customers as quickly as possible and make his or her online experience easy.
- Security questions and credit controls can simply lead to customers abandoning the transaction part. Many customers do not pay online through debit card/credit cards due to the misuse of personal information.

Practical Exercise

Activity 1

Observation of recent payment system in a retail store

Materials required

Pen/Pencil, Notebook and Checklist



NOTES

Procedure

1. Visit a retail store, meet the cashier and greet him/her.
2. Ask him/her about the different modes of payments used in the business and make a list.
3. Also ask about the latest methods of payment and note all the methods.
4. Discuss with friends and finalise with executive.
5. Prepare a report and submit to the subject teacher.

Check your Progress

A. Fill in the Blanks

1. Retail _____ should be familiar with point-of-sale system.
2. For the retail POS system a few devices are required, such as _____.

B. Multiple Choice Questions

1. Retail point of sale system typically includes a
 - (a) cash register, which in recent times comprises a computer, monitor
 - (b) cash drawer
 - (c) receipt printer, customer display and a barcode scanner
 - (d) All (a), (b) and (c)
2. It is the duty of a retail cashier to perform
 - (a) drawer counting
 - (b) money balancing duties for loss prevention and accounting purposes
 - (c) Both (a) and (b)
 - (d) None of the above
3. Barcode scanner (is a) _____.
 - (a) machine
 - (b) reader
 - (c) makes the bill
 - (d) All (a), (b) and (c)
4. Payment terminal is also known as a
 - (a) point of sale terminal
 - (b) credit card terminal
 - (c) EFTPOS terminal
 - (d) All (a), (b) and (c)

C. State whether the following are True or False

1. Retail cashiers have to perform various types of financial transactions using point of sale system.
2. The cashiers should not be familiar with the point-of-sale system.
3. Point of sale (POS) or point of purchase (POP) is a way to complete the retail transaction.
4. The use of point of sale system is not to do away with the need for price tags.
5. The transfer of funds to the merchant through most new models not only processes credit and debit cards but can also handle gift cards, cheques and so on.

D. Short Answer Questions

1. E-commerce payment is the buzz word of today's era. Explain.
2. How has the payment system changed in the last five years?
3. What is a cash register?
4. What are the devices used for payment?
5. What is e-commerce payment?

E. Check Your Performance

1. Demonstrate the components of payment system in the retail business.

